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29 March 2023
File No. 0204722-004

Arizona Metals Corporation
66 Wellington Street West
Suite 4100
Toronto, Ontario, Canada
M5K 1B7

Attention: Marc Pais, President and CEO

Subject: Groundwater Elevation Monitoring of the Existing Water Supply Wells for the Arizona Metals Corporation Kay Exploration Project located near Black Canyon City, Arizona

Dear Mr. Pais:

Haley & Aldrich, Inc. (Haley & Aldrich) is pleased to submit this correspondence to Arizona Metals Corporation (AZ Metals) documenting groundwater conditions within the existing water supply ranch wells at the Kay Exploration Project located near Black Canyon City, Arizona (Site; Figure 1). This letter report includes a summary of groundwater data, documentation of field activities, and a review of our findings.

Background

AZ Metals currently owns four existing water supply wells (Exploration Supply Well, Ranch House Well, Ranch Well 3, and Ranch Well 4) that are located within a shallow alluvial aquifer at the Site and pumps limited quantities of groundwater from these wells located on the ranch property for use in their drilling exploration activities and for dust control at the Site.

AZ Metals has contracted Haley & Aldrich, an independent consultancy, to collect groundwater elevation measurements from the four existing water supply wells. These measurements will give AZ Metals an analysis of the state of the water levels in the wells for the purposes of establishing baselines and analyzing data over the course of time.

Field Activities

Haley & Aldrich has collected monthly groundwater elevation measurements at the Site from the four water supply wells from June 2022 through March 2023. Haley & Aldrich began collecting groundwater elevation data starting in June 2022 from the Exploration Supply Well and subsequently began collecting groundwater elevation data from the remaining three water supply wells starting in August 2022.

Known water supply well details are summarized on Figure 2. Depth-to-groundwater was measured in each water supply well using a calibrated electric water level sounder. The depth-to-groundwater was measured from the top of the well casing (north side) to the nearest 0.01 foot, and the same point was used each month for consistency. The groundwater elevations were recorded on field sheets and then added to our monitoring database.

Groundwater Elevation Data

Our observations indicate that groundwater elevations within the water supply wells have been increasing steadily since August 2022. The average increase in groundwater elevation has been 19.0 feet since August 2022. This increasing trend is likely a result of the above average monsoon and winter precipitation events that have occurred within the surrounding watershed and nominal withdrawals needed to support exploration activities. The depth-to-water and the calculated groundwater elevations for each water supply well and groundwater elevation plots of each water supply well are presented on Figure 2.

Currently, water at the Site is only used for exploration drilling water and road dust control. This water usage is minimal and no impact to the aquifer or surrounding wells were anticipated or observed. AZ Metals continues to monitor the water usage and the water supply wells while the exploration activities are occurring.

As exploration activities continue at the Site, and future mining operations are contemplated, the collection of groundwater elevation and water consumption data will produce valuable information to be used in the development of a hydrogeologic conceptual model needed for mine design and permitting. However, no mine plan is currently being contemplated or permitted for the project.

Further, before a mine plan can be developed and approved, a large regional groundwater investigation must be conducted to identify a sustainable water supply for the operation. This water supply is intended to be hydraulically separate from the alluvial aquifer that currently serves AZ Metals exploration activities. These studies take a significant amount of research and consultation with the permitting agencies, interested stakeholders, and the public.

We appreciate the opportunity to assist you with this important project. Please contact Rich Brown (602-760-2458) with any questions you may have regarding the content of this letter report.

Sincerely yours,
HALEY & ALDRICH, INC.

Rich Brown, R.G.
Geologist | Client Specialist

Eric Mears, R.G.
Principal Consultant

Enclosures
Figure 1 – Groundwater Elevation Monitoring Locations
Figure 2 – Groundwater Elevation Data and Plots

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FIGURES

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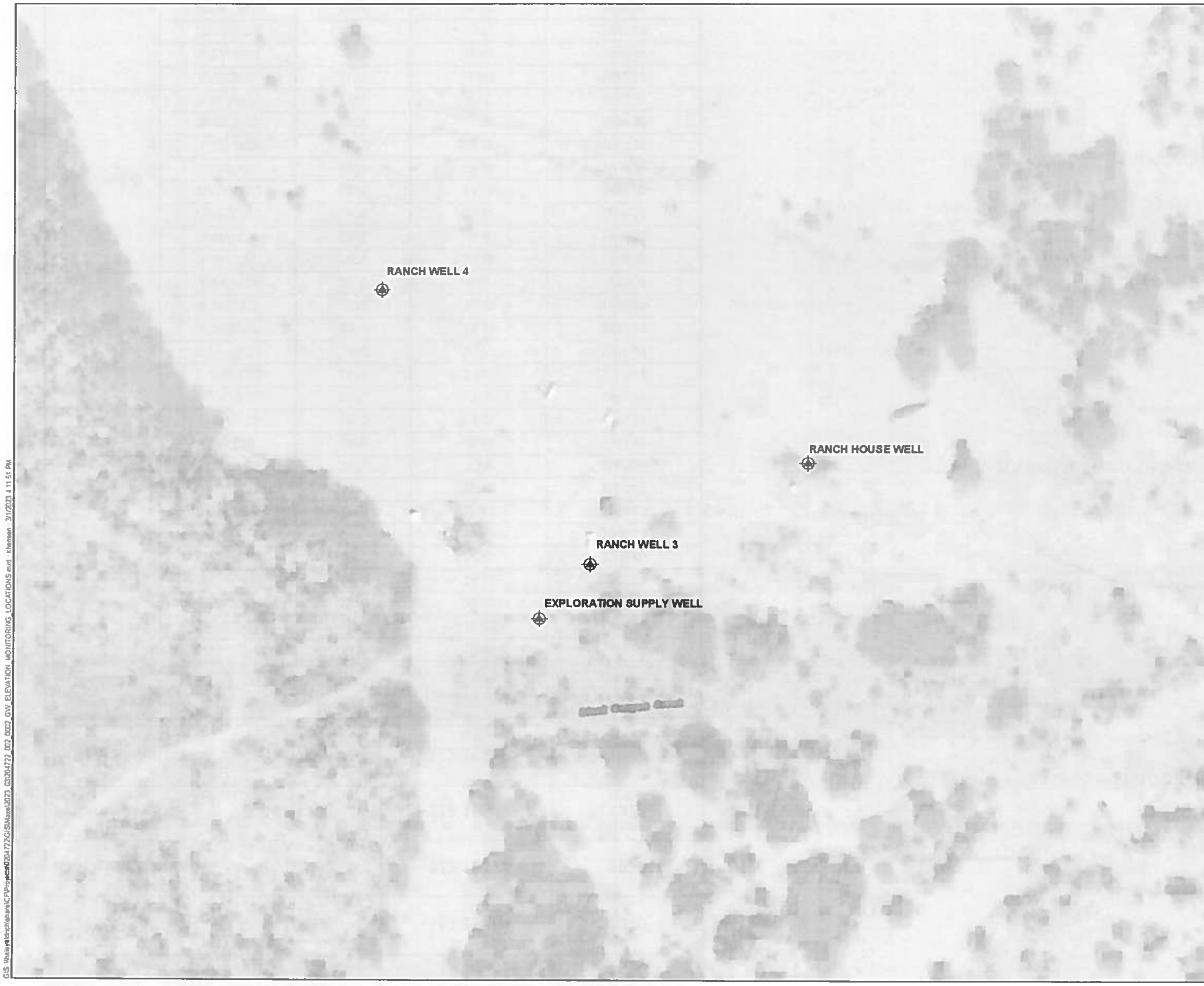

LEGEND

WATER SUPPLY WELL

NOTES

1. ALL LOCATIONS AND DIMENSIONS ARE APPROXIMATE
2. AERIAL IMAGERY SOURCE: ESRI

0 100 200
SCALE IN FEET

HALEY ALDRICH

ARIZONA METALS CORPORATION
KAY EXPLORATION PROJECT
BLACK CANYON CITY, ARIZONA

GROUNDWATER ELEVATION MONITORING LOCATIONS

MARCH 2023

FIGURE 1

Figure 2 – Groundwater Elevation Data and Plots

Borehole ID	Latitude	Longitude	Approximate Elevation (ft amsl)
Exploration Supply Well	34.07786	-112.15564	1970
Ranch Well (House)	34.07830	-112.15474	1970
Ranch Well #3	34.07802	-112.15547	1971
Ranch Well #4	34.07879	-112.15618	1973

Borehole ID	Date Measured	Approximate Elevation (ft amsl)	Depth to Water (ft btoc)	Groundwater Elevation (ft amsl)
Exploration Supply Well	6/9/2022	1970	28.40	1941.60
	8/18/2022	1970	28.75	1941.25
	9/27/2022	1970	25.20	1944.80
	10/28/2022	1970	24.42	1945.58
	11/29/2022	1970	24.40	1945.60
	12/30/2022	1970	24.47	1945.53
	1/27/2023	1970	13.82	1956.18
	2/23/2023	1970	12.15	1957.85
	3/29/2023	1970	9.96	1960.04
Ranch Well (House)	8/18/2022	1970	28.51	1941.49
	9/27/2022	1970	24.61	1945.39
	10/28/2022	1970	24.02	1945.98
	11/29/2022	1970	24.11	1945.89
	12/30/2022	1970	24.77	1945.23
	1/27/2023	1970	13.33	1956.67
	2/23/2023	1970	12.20	1957.80
	3/29/2023	1970	9.61	1960.39
Ranch Well #3	8/18/2022	1971	28.58	1942.42
	9/27/2022	1971	24.90	1946.10
	10/28/2022	1971	24.12	1946.88
	11/29/2022	1971	24.18	1946.82
	12/30/2022	1971	24.24	1946.76
	1/27/2023	1971	13.63	1957.37
	2/23/2023	1971	11.90	1959.10
	3/29/2023	1971	9.55	1961.45
Ranch Well #4	8/18/2022	1973	30.48	1942.52
	9/27/2022	1973	26.63	1946.37
	10/28/2022	1973	25.72	1947.28
	11/29/2022	1973	25.72	1947.28
	12/30/2022	1973	25.92	1947.08
	1/27/2023	1973	16.03	1956.97
	2/23/2023	1973	13.72	1959.28
	3/29/2023	1973	10.80	1962.20